

Lowest value principle implementation in inventory measurement of financial statements of the enterprises

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Abstract

© 2015, MCSER-Mediterranean Center of Social and Educational Research. The article explores an issue of implementing of material and production inventories measurement at lowest value in accounting practices for the purpose of drawing up financial statements. A comparison is made in terms of approach to the lowest value principle implementation in accordance with American, Russian and international accounting standards. For the first time, a methodology for calculating of allowance for impairment of inventory based on specific features of enterprise's activities is being considered. Given in detail is a description of development stages of allowance for impairment of inventory based on specific procedures carried out.

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Keywords

Allowance, IAS 2, Impairment, Inventories, Measurement, US GAAP